



CONNECTICUT

**TESTIMONY OF
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)
OPPOSING
HB-6705, AA REQUIRING THE PREVAILING WAGE BE PAID ON CONSTRUCTION PROJECTS
THAT RECEIVE FINANCIAL ASSISTANCE FROM THE STATE OR ANY AGENCY OF THE STATE
BEFORE THE
LABOR & PUBLIC EMPLOYEES COMMITTEE
FEBRUARY 26, 2015**

A non-profit, non-partisan organization founded in 1943, NFIB is Connecticut's and the nation's leading small-business association. In Connecticut, NFIB represents thousands of members and their employees. NFIB membership is scattered across the state and ranges from sophisticated high technology enterprises to "Main Street" small businesses to single-person "Mom & Pop" shops that operate in traditional ways. NFIB's mission is "To promote and protect the right of its members to own, operate, and grow their businesses." On behalf of those small- and independent- job-providers in Connecticut, NFIB/Connecticut offers the following comments:

NFIB/Connecticut opposes HB-6705. This bill would require any business organization, including a small business, receiving a wide-array of broadly defined "financial assistance" from the state or any "agency" of the state, *including but not limited to* DECD, to be subject to the state's prevailing wage laws. The unprecedented expansion of these requirements to private projects that have received some form of state economic development assistance would have a chilling effect on private businesses, their contractors, and the free market at-large. In addition, such an expansion would only work to further curtail much needed opportunities for small contractors to bid for certain work on private projects. As it is, the current prevailing wage statute is in need of reform as it is an antiquated law that serves only to increase the cost of state and municipal public building projects by as much as 20 percent in some instances. HB-6705 would only further increase costs for private projects and private entities, which is also inconsistent with such entity receiving state financial assistance. Small and minority-owned businesses are discouraged from bidding on projects by the complex and archaic rules set forth by the requirements. The requirements and significant paperwork burdens shut small employers out of the construction market for these types of projects, and HB-6705 would only expand that further to include the renovation, repair, rehabilitation or new construction activities of private businesses. This bill would be an unnecessary, unprecedented, and dangerous expansion of government prevailing wage requirements into the private sector. Marketplace conditions have been working just fine for private businesses engaged in their own construction projects, and efforts such as those contained in HB-6705 would also undermine the very intent and purpose of state financial assistance that may be awarded to these private businesses for their growth. Thank you for the opportunity to comment, and NFIB/Connecticut urges rejection of the bill.